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Week in Review

November 3, 2017

As a service to the clients and friends of Governmental Policy Group, Inc. and RH Resources we would like to extend the following weekly update of events happening around Capitol Square.

ADDICTION/SUBSTANCE ABUSE

Attorney General Mike DeWine set an ultimatum for drug companies Monday: come to the table with "serious" settlement offers to help curb the opioid addiction epidemic, or else he will "escalate until we get their attention." Additionally, DeWine outlined how the state should use that settlement money. At a press conference Monday, he revealed his proposed 12-step plan for addressing the opioid epidemic through a variety of legislative and executive actions, called the "Recovery Ohio" plan.

ATTORNEY GENERAL

Ohio is joining 44 other states and the District of Columbia in a \$220 million settlement with Deutsche Bank for fraudulent and anticompetitive conduct involving the manipulation of the London interbank offered rate, or Libor, a benchmark interest rate that has a widespread impact on global

markets and consumers, Ohio Attorney General Mike DeWine announced. Of the settlement, about \$213 million will be used to reimburse government and nonprofit organizations that had Libor-linked swaps and other investment contracts with Deutsche and that were harmed by the activity.

BALLOT ISSUES

The Ohio Elections Commission on Thursday denied motions to dismiss an elections complaint which charges that opponents of Issue 2, the Drug Price Relief Act, did not form their political action committee (PAC) in a timely fashion.

ECONOMIC DEVELOPMENT

Gov. John Kasich and JobsOhio executives provided an update on the state's economic development numbers in 2017: 20,000-plus "direct" jobs created by JobsOhio projects, 100,000 retained jobs and \$6 billion in private investment. Kasich said his administration's performance over the last seven years tells an even bigger story, during which Ohio job growth jumped from 48th to 24th in the nation. The governor gathered with JobsOhio CEO John Minor and board Chairman James Boland for a press conference in Columbus following a meeting with economic development leaders.

ELECTIONS 2017

Secretary of State Jon Husted said Tuesday that an estimated 338,021 absentee ballots have been requested statewide, including 1,064 requests from military and overseas voters whose absentee ballots started going out on Saturday, Sept. 23. Ballots for other voters started going out on Wednesday, Oct. 11.

ELECTIONS 2018

Ohio Supreme Court Justice Bill O'Neill announced Sunday he would enter the gubernatorial race as the fifth Democratic candidate, saying in a press release that he supports "the legalization of recreational marijuana, a higher minimum wage, a decrease in in-state tuition, and the funding of mental health institutions across the state." Chief Justice Maureen O'Connor said Sunday that O'Neill intends to remain on the court "for the foreseeable future." O'Connor said she could not comment on his decision relative to the Rules for the Governance of the Judiciary and the Code of Judicial Conduct and that there is no mechanism for forced recusal on pending cases.

The following endorsements were made over the week:

- Sen. Gayle Manning (R-North Ridgeville) endorsed Jon Husted for governor.

FEDERAL

Sen. Jay Hottinger (R-Newark) announced Tuesday that he will not be seeking the congressional seat currently held by U.S. Rep. Pat Tiberi (R-Columbus) after Tiberi steps down next year.

GENERAL ASSEMBLY/STATEHOUSE

Four complaints alleging harassment were filed against three members of the Ohio House and a legislative staffer, according to documents released by House Speaker Cliff Rosenberger's office in response to a public records request by Ohio media. They include Rep. Mike Henne (R-Clayton) who went to sensitivity training after a female House employee complained about a remark he made to a group in April 2015; a female Democratic member of the House [identified by the *Plain Dealer* as Rep. Stephanie Howse (D-Cleveland)] was accused in June 2016 of an action that violated the House's anti-harassment and discrimination policy; Rep. Bernadine Kent (D-Columbus), accused of inappropriate actions to fire a staffer, received remedial training; and Mark Homyak, a legislative aide to former Rep. Nan Baker (R-Westlake), was fired for violating the House's anti-harassment policy.

GOVERNOR

The subject of "right to work" almost never comes up when meeting with business leaders across Ohio and the U.S., Gov. Kasich said Wednesday. Answering an attendee question on the issue at the Ohio Manufacturers' Association (OMA) Workforce Summit at the Greater Columbus Convention Center, Kasich applauded the recent work of unions in helping to convince PTT Global Chemical to create a cracker plant for shale natural gas in Belmont County.

Appointments made during the week include the following:

- Daniel J. Massey of Columbus (Franklin County) reappointed to the Industrial Commission Nominating Council for a term beginning Oct. 27, 2017, and ending Oct. 20, 2019.
- Eric L. Burkland of Columbus (Franklin County), Phillip J. Fulton of Columbus (Franklin County), Frank L. Gallucci, III of Cleveland (Cuyahoga County) and Roger R. Geiger of Columbus (Franklin County) reappointed to the Industrial Commission Nominating Council for terms beginning Oct. 27, 2017, and ending Oct. 20, 2021.
- Dr. Joanne Phillips Estes of Cincinnati (Hamilton Co.) to the Ohio Occupational Therapy, Physical Therapy and Athletic Trainers Board for a term beginning Oct. 30, 2017, and ending Aug. 27, 2019, and Melissa Van Allen of Columbus (Franklin Co.) and Dr. Trevor M. Bates of Sylvania (Lucas Co.) for terms beginning Oct. 30, 2017, and ending Aug. 27, 2020.
- Paul W. Imhoff of Upper Arlington (Franklin County) and Susmita Sadana, Ph.D. of Dublin (Franklin County) reappointed to the Ohio Humanities Council for terms beginning Nov. 1, 2017, and ending Oct. 30, 2020.

HOUSING/HOMELESSNESS

Ohio Housing Finance Agency (OHFA) Executive Director Sean Thomas defended the agency's use of federal Hardest Hit Funds (HHF) following the publication of a critical report from the federal Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). In its quarterly report to Congress, SIGTARP said OHFA "appears to be heavily focused on blight demolitions and less focused on helping homeowners with HHF." According to the report, Ohio has demolished 5,246 abandoned houses using \$72 million since August 2013. "This is the second highest number of demolitions in the HHF program." Thomas told the House Financial Institutions, Housing and Urban Development Committee that OHFA developed its program with the U.S. Treasury, and received approval from the federal agency.

LOCAL GOVERNMENT

At Wednesday's meeting of the House State and Local Government Committee, members questioned the provisions of an amended version HB121 (Edwards), which would prohibit local governments and municipalities from barring the use of certain piping materials in local water and sewer infrastructure projects.

MEDICAID/MEDICAID REFORM

The Ohio Department of Medicaid's (ODM) \$264 million funding request passed the Controlling Board without objection on Monday. ODM Director Barbara Sears and Ohio Office of Budget and Management (OBM) Director Tim Keen were on hand to answer questions from lawmakers, who included language in budget bill HB49 (R. Smith) requiring the administration to seek Controlling Board approval of Medicaid funds in FY18 and FY19. Sears told Sen. Jay Hottinger (R-Newark) that without the requested appropriation, the administration would be forced to either cut funding to all health care providers by 16 percent or withhold payment when funding runs out, which would likely occur in late May or early June 2018.

PENSIONS

The Ohio Police & Fire (OP&F) Pension fund announced its Board of Trustees recently reduced the retirement system's assumed average rate of investment return from 8.25 percent to 8 percent, following the recommendation of outside actuaries as part of a routine five-year review of assumptions.

PEOPLE

The Coalition on Homelessness and Housing in Ohio (COHHIO) announced Thursday that it has hired Gina Wilt to lead the nonprofit organization's advocacy program. Wilt joins COHHIO after managing lobbying efforts with CRN Consulting Ltd. for the Home Matters to Ohio campaign to expand the Ohio Housing Trust Fund in the state budget. Previously Wilt served nearly 12 years as

senior legislative aide to Senate Finance Chairman Scott Oelslager (R-North Canton). She also has experience working as a real estate agent.

TAXATION

Sen. Kevin Bacon (R-Columbus) said this week that he once again introduced legislation to make Ohio's sales tax holiday permanent after the General Assembly had previously decided to make it temporary. The new bill is SB226.

Business and housing organizations urged the House Ways and Means Committee on Tuesday to approve Rep. Derek Merrin's (R-Monclova) HB 343 which requires elected local government bodies to explicitly authorize each property tax valuation challenge filed on their behalf. The groups said the move would help address situations in some jurisdictions where attorneys persistently and broadly file county Board of Revision complaints, leaving tax rates unpredictable and requiring owners to spend time and money fighting the cases.

TRANSPORTATION

Automakers Honda, General Motors and Tesla predicted near- and medium-term rollout of fully autonomous vehicles Wednesday at the Statehouse, but urged lawmakers to take action to enable the technology's deployment in Ohio.

UNEMPLOYMENT COMPENSATION

Illegal aliens who are unable to obtain workers' compensation benefits could still sue employers under certain circumstances if they are injured on the job, sponsors of legislation that would end benefits for those who could not prove their legal status said Wednesday. Reps. Bill Seitz (R-Cincinnati) and Larry Householder (R-Glenville) gave sponsor testimony before the House Insurance Committee on HB380, which Seitz said would require injured workers show that they are authorized to work in the U.S.

UTILITIES

Public Utilities Commission of Ohio (PUCO) Chairman Asim Haque acknowledged the controversy Tuesday over the commission's method of devising so-called electric security plans (ESP) in lieu of market-driven pricing, and the utility sector's preference for a semi-regulated approach to ratemaking that allows it to secure predictable profits from various customer billing riders. In fact, the subject of ESPs versus market rate offers (MRO) was not part of Haque's prepared remarks to the House Public Utilities Committee, eliciting surprise from Rep. Bill Seitz (R-Cincinnati).

The regional transmission organization (RTO) that oversees the wholesale electric markets of Ohio and 12 other states, PJM Interconnection, has charged U.S. Energy Secretary Rick Perry with a

"transparent attack" on RTOs generally and PJM specifically, saying his recent rulemaking directive to the Federal Energy Regulatory Commission (FERC) supporting subsidies for coal and nuclear generation undercuts competitive markets developed by state and federal officials over the last two decades. Perry's Sept. 29 letter to the commission maintained that the system of wholesale markets regulated by FERC undervalues the reliability and resiliency characteristics of nuclear and coal-fired facilities over and against gas-fired and renewable generation -- an argument made by supporters of cost-recovery legislation currently before the Ohio General Assembly.

LEGISLATIVE ACTIVITY:

HOUSE:

PASSED BY HOUSE

- HB50** SNAP REQUIREMENTS (Rep. Tim Schaffer) To establish requirements for electronic benefit transfer cards issued under the Supplemental Nutrition Assistance Program.
Vote 64-31
- HB119** SNAP AND MEDICAID BENEFITS (Rep. Michael Henne, Rep. Robert McColley) Regarding eligibility and benefits under the Supplemental Nutrition Assistance program and the Medicaid program.
Vote 80-14
- HB137** MANDATORY REPORTING-CHILD ABUSE (Rep. Bernadine Kent) To make municipal and county peace officers mandatory reporters of child abuse or neglect.
Vote 93-0
- HB174** FRANKLIN COUNTY JUDGES (Rep. Jim Hughes, Rep. Laura Lanese) To add two judges to the Domestic Relations Division of the Franklin County Court of Common Pleas to be elected in 2018.
Vote 92-1, Emergency Clause 92-1
- HB214** DOWN SYNDROME ABORTION BAN (Rep. Sarah LaTourette, Rep. Derek Merrin) To prohibit a person from performing, inducing, or attempting to perform or induce an abortion on a pregnant woman who is seeking the abortion because an unborn child has or may have Down syndrome.
Vote 64-31
- HB292** STATE OF RESIDENCE TEST (Rep. Gary Scherer) To modify the test for determining an individual's state of residence for income tax purposes.
Vote 92-1
- HB334** PASS-THROUGH BUSINESS INCOME (Rep. Gary Scherer) To provide that wages and guaranteed payments paid by a professional employer organization to the owner of a pass-through entity that has contracted with the organization may be considered business income.

Vote 82-11

CONSIDERATION OF SENATE AMENDMENTS

HB31 CONTRACTING ADVISORY COUNCIL-ABOLITION (Rep. Bob Cupp) To
abolish the Government Contracting Advisory Council.

House Does Concur, Vote 93-2

SENATE

No Senate activity to report